

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1441 Main Street, Suite 300
Columbia, SC 29201



DAN F. ARNETT
CHIEF OF STAFF

Main Line: (803) 737-0800
Legal Department: (803) 737-0877

July 10, 2007

FLORENCE P. BELSER
GENERAL COUNSEL

VIA EFILING AND HAND DELIVERY

Charles L.A. Terreni, Esquire
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Application of Utilities Services of South Carolina, Incorporated for Approval of the Transfer of Its Water Utility System and Territory Serving the Lakewood Estates and Arrowhead Shores Subdivisions in Lexington County to Carolina Water Service, Incorporated
Docket No. 2007-197-W

Dear Mr. Terreni:

The South Carolina Office of Regulatory Staff ("ORS") has reviewed the above docketed matter and has no objection to the Application of Utilities Services of South Carolina, Incorporated ("USSC") for approval of the transfer of its water utility system and territory serving the Lakewood Estates and Arrowhead Shores subdivisions in Lexington County to Carolina Water Service, Incorporated ("CWS"). Lakewood Estates and Arrowhead Shores are interconnected with Smallwood Estates which is within CWS's territory. The transfer will result in Lakewood Subdivision residents paying CWS rates which are currently less than USSC rates.

Sincerely,

Shannon Bowyer Hudson
Shannon Bowyer Hudson

SBH/pjm

cc: John M.S. Hoefler Esquire
Benjamin P. Mustian, Esquire